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MEMORANDUM

Date: April 14, 2010

To: The Honorable Jose Solorio, Chair
The Honorable Sam Blakeslee, Vice Chair
Members, Assembly Insurance Committee

From: Rex D. Frazier, President
Michael A. Gunning, Vice President
Kimberley Dellinger Dunn, General Counsel
Ermelinda Ruiz, Legislative Advocate

Re: AB 2367 (Calderon) Insurer Financial Statements

Assembly Insurance Committee – Hearing April 21, 2010

PIFC Position: Support

The Personal Insurance Federation of California, representing insurers who write over 60% of the auto insurance sold in the state, including State Farm, Allstate, Farmers, Liberty Mutual Group, Progressive, and NAMIC, **supports AB 2367 by Assembly Member Calderon.**

This legislation simply clarifies that the notification required under this statute, from the commissioner to an insurer, must be written. Notification is currently required when the commissioner has made changes to the adopted National Association of Insurance Commissioners (NAIC) rules on the form of statements or method of filing financial reports required of insurers.

Current law specifies that the commissioner shall require every insurer, required to file annual or quarterly statements, to use the statement blanks and instructions from the NAIC. The statute also states that the commissioner may make changes “from time to time” in the form of the statements and the method of filing reports, and that the commissioner “shall notify each insurer of any changes...” However, the statute is silent on how the commissioner shall fulfill the notification. Insurers state that the current notification process varies and they would prefer conformity, with such notification of changes being in writing. AB 2367 clarifies this form of change notice.

For the foregoing reasons, **PIFC supports AB 2367** and urges your “**yes**” vote. If you have any questions regarding PIFC’s support, please contact Kimberley Dellinger Dunn at (916) 442-6646.

cc: Honorable Charles Calderon, Author
Mark Rakich, Assembly Insurance Committee
Kevin Hanley, Assembly Republican Caucus
Mike Proso, Legislative Secretary for the Governor